

Trigon and the Continuing Conspiracy Against Chiropractic

Editorial Staff

The current lawsuit against Trigon Blue Cross/Blue Shield (now Anthem) is a byproduct of the 100-year history of competitive hostility by medicine against chiropractic. This case, like *Wilk v. AMA*, involves a direct attempt by Trigon and the Virginia state medical societies and schools to retard, deter or inhibit referrals by MDs to chiropractors. It is also an effort to prevent chiropractors and their patients from gaining the millions of dollars in insurance monies currently going to MDs. The district court refused to allow discovery that would link the remnants of the enjoined nationwide conspiracy (outlined in *Wilk v. AMA*) to the conspiracy alleged in the Trigon case.

This historical summary, taken from the appeal brief filed by attorney George McAndrews, provides the necessary background for DCs to understand clearly why the Trigon lawsuit is so critical to ending the continuing and severely detrimental effects of the medical boycott of chiropractic. The complete appeal brief is available online at www.chiroweb.com/trigon.

MDs Ready to Conspire

In 1962, Robert Throckmorton, of the Iowa Medical Society and later, general counsel of the American Medical Association) demanded that the entire medical community "undertake a positive program of 'containment'" to prevent chiropractors from obtaining insurance coverage:

"If this program is successfully pursued, it is entirely likely that chiropractic as a profession will 'wither on the vine' and the chiropractic menace will die a natural but somewhat undramatic death. This policy of 'containment' might well be pursued along the following lines ... Oppose chiropractic inroads in health insurance."

In 1963, Robert Youngerman of the AMA stated: "It would seem from certain declarations of the House of Delegates and the Judicial Council, that the ultimate objective of the AMA theoretically is the complete elimination of the chiropractic 'profession.'"

The United States Court of Appeals for the Seventh Circuit, in affirming a nationwide injunction against the AMA, characterized the 28-year national campaign by medical organizations and their members to destroy chiropractic as "lengthy, systematic, successful, and unlawful. ..." The boycott was orchestrated by a full-time, multi-employee, medical physician-directed committee of the AMA Board of Trustees.

The nature of the boycott is shown in the *Wilk* decision:

The *Wilk* Court [7th Circuit] held: ... "even without coercive enforcement, a court may find that members of an association promulgating guidelines sanctioning conduct in violation of Sec. 1 participated in an agreement to engage in an illegal refusal to deal."

The purpose of the boycott was to contain and eliminate the chiropractic profession. This conduct constituted a conspiracy among the AMA and its members and an unreasonable restraint of trade

in violation of Section 1 of the Sherman Act.

In 1967, the AMA Judicial Council issued an opinion under Principle 3 specifically holding that it was unethical for a physician to associate professionally with chiropractors. "Associating professionally" would include making referrals of patients to chiropractors. This opinion ... was widely circulated to members of the AMA. The opinion on chiropractic was also sent by the AMA to 56 medical specialty boards and associations.

As noted by the Court of Appeals, some medical physicians (such as orthopedic surgeons, internists, and general practitioners) are in direct competition with chiropractors in this market. Medical physicians and chiropractors are interchangeable for the same purposes. Consumers seek both medical physicians and chiropractors for the same complaints, principally back pain and other neuromusculoskeletal problems, and both groups render services for the treatment of those complaints.

Competition between medical physicians and chiropractors was recognized by Dr. Joseph A. Sabatier, a member of the Committee on Quackery and a former defendant in the *Wilk* case, as early as 1964. At one point, Dr. Sabatier stated, "It would be well to get across that the doctor of chiropractic is stealing [the young medical physician's] money."

It is no coincidence that a majority of Trigon's Provider Policy Committee are members of the Medical Society of Virginia, including Dr. Blanchard, its president. He became a member of the committee in 1997 because of his "connections with the Medical Society of Virginia." He specifically "concurred" that a Trigon contract should be delayed "in an attempt to reach as much mutual agreement as possible" with medical doctors.

The Trigon Managed Care Advisory Panel, also consisting primarily of MDs, collusively assembled and distributed scientifically distorted "back pain guidelines" to more than 90 percent of the medical physicians in Virginia. Each and every outside society that "appointed" an agent to the panels of Trigon is an organization of competitors of chiropractors.

Some of the anti-competitive effects acknowledged by Mr. Lynk [the AMA's PhD economist] include the following: It is anti-competitive to raise costs to interfere with consumers' free choice to take the product of their liking, and it is anti-competitive to prevent medical physicians from referring patients to chiropractors.

The Court of Appeals in *Wilk*, which reviewed substantially the same boycott evidence, concluded:

"Through such mechanisms, individual physicians were discouraged from cooperating with chiropractors in patient treatment, because referrals were inhibited by defendants' activities ... Referrals from medical doctors were reduced. Public demand for chiropractic services was negatively affected."

There also was some evidence before the Trigon's Provider Policy Committee that chiropractic was effective - more effective than the medical profession in treating certain kinds of problems, such as workers' back injuries. Trigon's committee did not follow up on any of these studies or opinions. Basically, the committee members were medical doctors who, because of their firm belief that chiropractic had to be stopped and eliminated, volunteered for service on the committee.

The former president of the Virginia Medical Society, Dr. Hotchkiss, was appointed to the committee because of his society's active anti-chiropractic programs.

Blue Shield Plans' Participation in Prior Conspiratorial Activity

In 1969, Blue Shield, at the behest of the AMA, began to counter state insurance equality laws by disallowing insurance payments to chiropractors:

We have filed and may use in 6 states an exclusion deleting manipulative services and subluxations for the purpose of relieving nerve interference. Basically, the exclusion extends to services of a chiropractor by definition. ... We are proceeding to file this exclusion in all states for basic and Major Medical contracts.

Then, in 1973, Blue Shield admitted:

Resistance to chiropractic payment may be indicated by the fact that fewer Plans make payment than the laws require.

In 1979, the federal government recognized that Blue Shield, known as the "house of medicine," was dominated by medical physicians who decide "whether and how much [Blue Shield] plans will pay for the services of non-physicians."

In 1980, the Fourth Circuit condemned Virginia Blue Cross Blue Shield's (Trigon's direct predecessor) plan for trying to freeze out competitive providers:

The issue is more than one of professional pride. State law recognizes the psychologist as an independent economic entity as it does the physician. The Blue Shield policy forces the two independent economic entities to act as one, with the necessary result of diminished competition in the health care field. The subscriber who has a need for psychotherapy must choose a psychologist who will work as an employee of a physician; a psychologist who maintains his economic independence may well lose his patient. In either case, the psychologist ceases to be a competitor.

The economic expert testimony in the *Wilk* case was that 30 percent of all people with back complaints visit chiropractors and 29 percent of all professional services for back-related complaints are generated principally by doctors of chiropractic. Any slippage of the remaining 70 percent would be harmful to the medical doctors competing with the chiropractors and would force Trigon to look elsewhere to find the bonanza promised to its medical physician members in a Trigon publication:

With the completion of the RBRVS (Resource-Based Relative Value Scale) implementation, most Trigon allowances will be proportional to Federal Relative Values. For a small minority of services [i.e., chiropractors], market conditions will have dictated exceptions to RBRVS.

Trigon is optimistic that 1997 fee schedule changes can be much more favorable for network physicians. The performance-based reimbursement program described in the July issue of the *Medical Forum* creates new opportunities for physicians to increase their compensation while decreasing total health care costs for the next several years.

The Superiority of Chiropractic Education, Training and Effectiveness

From at least 1967 to the present, numerous studies by the responsible medical world have concluded that chiropractic education, training, and effectiveness, with respect to the treatment of neuromusculoskeletal conditions, is far superior to that of medical doctors.

For example, in 1967, Dr. Wilson, Chairman of the American Medical Association's Section on Orthopedic Surgery, reported on the complete inadequacy of the medical training in this area:

The teaching in our medical schools of the etiology, natural history, and treatment of low back pain

is inconsistent and less than minimal. The student may or may not have heard a lecture on the subject, he may have been instructed solely by a neurosurgeon, or the curriculum committee may have decided that clinical lectures are "out" and more basic sciences "in." The orthopedic surgeon, to his distress, often sees his hours in the curriculum pared to the barest minimum.

Even the abundant and significant advances resulting from the medical profession's emphasis upon research have failed dismally to relieve modern man of one of his most common and bothersome afflictions - low back pain.

In 1979, the Royal Commission of Inquiry on Chiropractic in New Zealand, following an 18-month study, concluded:

The Commission accepts the evidence of Dr. Haldeman, and holds, that in order to acquire a degree of diagnostic and manual skill sufficient to match chiropractic standards, a medical graduate would require up to 12 months' full-time training, while a physiotherapist would require longer than that.

In 1980, John McMillan Mennell, MD, a prominent medical educator, swore under oath as follows:

"I think my testimony was that if you ask a bunch of new residents who come into a hospital for the first time how long they spent in studying the problems of the musculoskeletal system, they would, for the most part reply, "Zero to about four hours."

In 1998, the *Journal of Bone and Joint Surgery* reported as follows:

"Second only to upper respiratory illness, musculoskeletal symptoms are the most common reason that patients seek medical attention, accounting for approximately 20 percent of both primary-care and emergency-room visits. Musculoskeletal problems were reported as the reason for 525 (23 percent) of 2,285 visits by patients to a family physician, and musculoskeletal injuries accounted for 1539 (20 percent) of 7,840 visits to the emergency room. The delivery of musculoskeletal care is spread across a spectrum of practitioners, including not only orthopaedic surgeons but also internists, family physicians, and pediatricians, among others. Moreover, under the so-called gatekeeper model that is prevalent in managed-care systems, physicians other than orthopaedic surgeons will provide an expanding share of this musculoskeletal care. Mastery of the basic issues in musculoskeletal medicine is therefore essential for all medical school graduates.

Nevertheless, seventy (82 percent) of eighty-five medical school graduates from thirty-seven different schools failed to demonstrate such competency on a validated examination of fundamental concepts."

This conclusion was reaffirmed by the same medical journal in 2002. Please note that the journal does not even mention their principal competitors - the chiropractors.

Effectiveness of Chiropractic Care

Studies by the responsible medical world have shown, and continue to show, the fundamental efficiency and effectiveness of chiropractic care. For example, in 1972, Rolland A. Martin, MD, Director of Oregon's Workmen's Compensation Program, conducted a "Retrospective Study of Comparable Workmen's Industrial Injuries in Oregon" and concluded that chiropractic care was more effective than medical care, by a factor of 2 to 1:

Examining the forms of conservative therapy the majority received, it is interesting to note the results of those treated by chiropractic physicians:

A total of twenty-nine claimants were treated by no other physician than a chiropractor. Eighty-two percent resumed work after one week of time loss. Their claims were closed without a disability award.

Examining claims treated by the MD, in which the diagnosis seems comparable to the type of injury suffered by the workmen treated by the chiropractor, 41% of these workmen resumed work after one week of time loss.

Then, in 1975, Richard C. Wolf, MD, independently confirmed this 2 to 1 effectiveness ratio in a study, "A Retrospective Study of 629 Workmen's Compensation Cases in California":

The significant differences between the two groups appear to be as follows:

- Average lost time per employee - 32 days in the MD-treated group; 15.6 days in the chiropractor-treated group.
- Employees reporting no lost time - 21 percent in the MD-treated group; 47.9 percent in the chiropractor-treated group.
- Employees reporting lost time in excess of 60 days - 13.2 percent in the MD-treated group; 6.7 percent in the chiropractor-treated group.
- Employees reporting complete recovery - 34.8 percent in the MD-treated group; 51 percent in the chiropractor-treated group.

Similarly, a 1988 Florida Workers' Compensation Study concluded that "[t]he following findings and related conclusions warrant attention":

1. Patients treated by chiropractors, compared to those treated by osteopaths or medical doctors, showed the lowest rate of incurring a compensable injury.
2. Of the patients who incurred compensable injuries, those treated by chiropractors were less likely to be hospitalized for treatment.
3. Finally, and most importantly, considering the average number of services (procedures) and the average cost per service, chiropractic care for back injury represents a relatively cost-effective approach to the management of work-related injuries.

In 1990, the *British Medical Journal* published an abstract of a study titled "Low Back Pain of Mechanical Origin: Randomised Comparison of Chiropractic and Hospital Outpatient Treatment." The study, conducted by the MRC Epidemiology and Medical Care Unit, Northwick Park Hospital, Harrow Middlesex, stated the following:

Results - Chiropractic treatment was more effective than hospital outpatient management, mainly for patients with chronic or severe back pain. A benefit of about 7 percent points on the Oswestry scale was seen at two years. The benefit of chiropractic treatment became more evident throughout the follow up period. Secondary outcome measures also showed that chiropractic was more beneficial.

Conclusions - For patients with low back pain in whom manipulation was not contraindicated, chiropractic almost certainly confers worthwhile, long-term benefit in comparison with hospital outpatient management. The benefit is seen mainly in those with chronic or severe pain. Introducing chiropractic into [National Health Service (NHS)] practice should be considered.

Surprisingly, Trigon's chief medical doctor testified that the quality of health care given was of no concern to Trigon:

Q: Does Trigon in any way try to evaluate the effects of its insurance coverages, or lack of

coverages, on the health care provided to those that are insured by Trigon policies?

A: No. Again, that's not the business that we're in.

But Trigon and its co-conspirators are in that business when it comes to chiropractors and their patients. Unfortunately for the patients, the concern is not for the patients, but for the competitive medical doctors.

The 1994 AHCPR Study

In 1994, the Agency for Health Care Policy and Research (AHCPR), an agency of the U.S. Department of Health and Human Services, issued a 170-page study titled *Acute Low Back Problems in Adults*, along with an accompanying 30-page "Quick Reference Guide for Clinicians" titled *Acute Low Back Problems in Adults: Assessment and Treatment*. The study was conducted by a multidisciplinary panel comprised of 12 medical physician experts, and other health care professionals and consumer representatives, who were brought together by the AHCPR to perform an evidence-based analysis of all research trials on all treatment approaches to acute low back pain in adults. Abstracts of more than 10,000 research papers were reviewed, and almost 4,000 articles were retrieved.

A series of recommendations were included in Table 2 of the Quick Reference Guide. Recommendations were for acetaminophen and:

"Prescribed pharmaceutical methods: "other NSAIDs"

"Prescribed physical methods: manipulation (in place of medication or a shorter trial if combined with NSAIDs)"

Significantly, the AHCPR study specifically defined spinal manipulation as the type of manipulation used by all chiropractors.

The Rand Corporation concluded that chiropractors offer 90 percent of the manipulation services in the U.S. The pharmaceuticals address only the symptoms.

The Associated Press and major newspapers throughout the country immediately recognized that the AHCPR study, published on Dec. 8, 1994, was a boon to chiropractors and a setback for medical doctors. For example only, see the announcements [on that day] in the *Washington Post*, *Chicago Tribune*, *Chicago Sun-Times*, and *Los Angeles Times*.

In July 1998, the *Annals of Internal Medicine*, published jointly by the American College of Physicians and the American Society of Internal Medicine, stated:

The Agency for Health Care Policy and Research (AHCPR) recently made history when it concluded that spinal manipulative therapy is the most effective and cost-effective treatment for acute low back pain ... Perhaps most significantly, the guidelines state that unlike nonsurgical interventions, spinal manipulation offers both pain relief and functional improvement.

Trigon's Economic Motivation

Trigon argued that it had no economic motivation to harm chiropractors or steer patients to medical doctors and away from chiropractors. It acknowledges that its largest cost category is payments to health care providers. Trigon elected to pay chiropractors 40 percent less than MDs for the identical service, notwithstanding chiropractors' superior skills in these areas.

Chiropractors were the only one of five physician groups recognized by Trigon that suffered this unjustified reduction.

If Trigon were motivated only by economic concerns, it would not pay medical doctors more to provide inferior care than it pays chiropractors who provide preferred care. That Trigon pays medical doctors more demonstrates that Trigon is not making an independent economic judgment. It is making a collusive judgment in combination with medical doctors. The collusion is shown in what follows.

The 1994 *AHCPR Guidelines* Induced a Major Overt Act of the Conspiracy

Although the federal government's *Clinical Guidelines* were freely available, Trigon and its co-conspirator medical doctors and medical associations rewrote the federal guidelines to create "provincial" guidelines, that specifically omitted the recommendation of chiropractic manipulation, in an attempt to prevent more referrals to chiropractors. Trigon's Managed Care Advisory Panel voted that the rewritten guidelines were "referral" guidelines.

Because manipulation referral could only be to chiropractors and a handful of osteopaths, the conspirators had to change the AHCPR guidelines to avoid replacement of medical physician treatment by more efficient and effective chiropractic treatment, and consequent transfer of Trigon insurance payments from medical doctors to chiropractors. It also gave the competitive medical doctors a shield against malpractice claims arising from a failure to refer. The economic importance of this "transfer" is based on back pain being the second leading cause of visits to medical physicians; the leading cause of disability of those under age 45; and costing an estimated \$20 billion to \$50 billion per year nationally.

Professor Schifrin, the appellants' economic expert, estimated that unhindered referrals would have resulted in a transfer of more than \$60 million from Trigon's medical physician network to doctors of chiropractic, without any significant increase in cost to Trigon, with improved health and less time off work for Trigon insureds.

Trigon Conspired With Outside, Independent Medical Societies

As a threshold matter, Trigon contended that the medical doctors who consulted with Trigon and approved its provincial guidelines were allegedly acting only as agents of Trigon, who cannot legally conspire with Trigon, because "the Managed Care Advisory Panel was chaired by an officer of Trigon, and Trigon appointed medical doctors to this committee for the purpose of obtaining their input, advice, and expertise. ..." The clear documentary evidence was directly to the contrary:

Trigon's internal review process included consultation with, and approval by representatives appointed by the Virginia chapter of the American Academy of Pediatrics, the Virginia chapter of the American Academy of Family Physicians, the Virginia Society of Internal Medicine, the Virginia chapter of the American College of Physicians, the Virginia chapter of the American College of Surgeons, the Virginia Obstetrical and Gynecological Society, the Medical Society of Virginia, the University of Virginia School of Medicine, Eastern Virginia Medical School and the Medical College of Virginia.

Every single society represents direct competitors of chiropractors and has a direct motivation to prevent insurance payment transfers.

What emerged from the conspiracy was a historical and scientific distortion of their content. According to Dr. Scott Haldeman, a recognized authority and member of the AHCPR panel:

By omitting the AHCPR's definitions of manipulation, Trigon and its Managed Care Advisory Panel materially altered the recommendations of the AHCPR. That alteration created a Trigon guideline that did not recommend the manipulation that is provided primarily by doctors of chiropractic, as did the AHCPR guidelines. A point that became evident from the AHCPR guidelines was that manipulation was the only treatment approach that required a medical physician, in most instances, to make a referral of a patient with uncomplicated low back pain. The inevitable, and obviously intended, consequence of Trigon's and the Managed Care Advisory Panel's alteration of the AHCPR guideline, is to deprive patients of the benefit from spinal manipulation as practiced by doctors of chiropractic, and to deprive doctors of chiropractic of the opportunity to treat those patients.

Additional Overt Acts of the Conspiracy

Trigon and its co-conspirators committed several other acts in furtherance of the continuing conspiracy, most originating prior to 1996 and of which appellants were denied discovery. In 1988, Trigon imposed a \$500 cap on manipulation services, the mainstay of chiropractic care. Then, in approximately 1992, Trigon reduced ancillary service reimbursement to chiropractors to 70 percent of that paid to medical doctors for the same service. In 1996, shortly after the initial dissemination of the guidelines, Trigon dropped the rate from 70 percent to 60 percent. Chiropractors were the only group of Trigon's "physicians" to whom this cut was applied.

In 1997, Trigon refused to apply the government's RBRVS value standards, to spinal manipulations by chiropractors, by "leveling" the payment for manipulation of various regions of the spine, regardless of the number of regions treated by the chiropractor.

NOVEMBER 2003